

PUBLIC DISCLOSURE

September 12, 2011

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

READING CO-OPERATIVE BANK

26620

**180 HAVEN STREET
READING, MA 01867**

**DIVISION OF BANKS
1000 WASHINGTON STREET
10th FLOOR
BOSTON, MA 02118**

<p>NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the Division of Banks concerning the safety and soundness of this financial institution.</p>
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GENERAL INFORMATION

The Community Reinvestment Act ("CRA") requires the Massachusetts Division of Banks ("Division") to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting its needs of its entire assessment area, including low and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the Division must prepare a written evaluation of the institution's record of meeting the credit needs of its assessment area.

This document is an evaluation of the CRA performance of **READING CO-OPERATIVE BANK (or the "Bank")**, prepared by the Division, the institution's supervisory agency.

INSTITUTION'S CRA RATING: This institution is rated "SATISFACTORY."

Reading Co-operative Bank's CRA performance review was based on CRA activities conducted within its assessment area using the Federal Financial Institutions Examination Council (FFIEC) Intermediate Small Institution Examination Procedures. These rules evaluate banks with asset sizes of \$280 million or greater and less than \$1.122 billion under two tests: the lending test and the community development test.

Lending Test

The Bank's net loan-to-deposit ratio has averaged 84.6 percent over the time period reviewed. This ratio is adequate given the Bank's size, resources, financial condition and the credit needs of its assessment area.

During the period reviewed, the Bank originated 294 loans reportable pursuant to the Home Mortgage Disclosure Act (HMDA) totaling \$61,399,000. Of these loans, 230 or 71.0 percent were originated inside the Bank's assessment area totaling \$46,033,000 or 53.4 percent.

The Bank demonstrates an adequate level of lending to retail customers of different incomes, including those of low and moderate-income. Reading Cooperative Bank extended 22 HMDA reportable loans to low-income borrowers representing 9.6 percent of total originations within the assessment area. In addition, the Bank extended 39 loans to moderate-income borrowers representing 17.0 percent of the HMDA reportable originations inside the assessment area.

The geographic distribution of the Bank's HMDA reportable loans reflects a reasonable dispersion throughout the assessment area. Of the 230 HMDA reportable loans originated within the assessment area during the review period, 16 or 7.0 percent were granted in low-income census tracts and 6 or 2.6 percent were granted in moderate-income census tracts.

Community Development Test

Reading Co-operative Bank's extension of community development loans in the assessment area is considered adequate.

Qualified investments consist of donations and are considered satisfactory for an institution of this size.

Services include participation in community organizations, first time homebuyer education programs and convenient banking services, and are considered adequate.

Finally, there were no complaints received by the Bank pertaining to its CRA performance and the fair lending examination revealed no evidence of discriminatory or illegal credit practices. Fair lending policies and practices are considered satisfactory.

SCOPE OF EXAMINATION

The community development test includes an evaluation of community development loans, investments, and services in the context of the community needs and the capacity of the bank. The evaluation of the Bank's lending performance was based on residential loans originated between January 1, 2009 and September 16, 2011 and commercial, specifically small business loans originated between January 1, 2009 and August 31, 2011.

PERFORMANCE CONTEXT

Description of Institution

Reading Cooperative Bank is a state chartered co-operative bank located in Middlesex County. The Bank was established in 1886. The Bank's main office is located at 180 Haven Street in Reading, Massachusetts. This is located in an upper-income census tract. The Bank also has four other branches: one branch office North Reading which is an upper-income census tract; two branch offices in Wilmington and one branch office in Woburn, all located in middle-income census tracts.

As of the June 30, 2011, the Bank had total assets of \$329 million. Of the total assets, \$201,935,000 or 61.4 percent were in the form of gross loans. Predominantly a residential lender, 1-4 family real estate loans secured by first liens represent the largest asset on the Bank's balance sheet at 57.2 percent. However, the Bank has continuously shifted its focus to commercial real estate as it consisted of 28.0 percent of the Bank's loans. Refer to the following table for a breakdown of the loan portfolio composition.

Loan Portfolio Distribution as of June 30, 2011	
Type of Loans	% of Total Loans
Construction & Land Development	4.5
Residential Real Estate	
a. 1-4 Family Mortgages	57.2
b. Home Equity Lines	3.1
c. Junior Liens	1.9
Commercial Loans	
a. Commercial Real Estate	28.0
b. Commercial and Industrial	4.6
Consumer	0.7
Total Loans	100.0

Source: FED Call Report, 6/30/11

Reading Co-operative Bank operates in a highly competitive market. Local competitors include Stoneham Bank, Stoneham Savings Bank, Wakefield Cooperative Bank, and Northern Bank & Trust Company as well as a number of national banks and mortgage companies.

Other than the Bank's size, there appears to be no legal or financial impediments that would affect the Bank's ability to meet the credit needs of its assessment area. Based on the Bank's resources, product offerings, and branch network its ability to meet the assessment area's credit needs remains adequate. The Federal Deposit Insurance Corporation (FDIC) conducted the previous CRA examination as of June 12, 2006. That examination resulted in a "Satisfactory" rating.

Description of Assessment Area

The Community Reinvestment Act (CRA) requires financial institutions to define an assessment area within which its CRA performance will be evaluated. The Division evaluates the institution's CRA Performance based upon the defined assessment area.

The Bank's assessment area includes 14 cities and towns: Billerica, Burlington, North Reading, Reading, Stoneham, Tewksbury, Wakefield, Wilmington, and Woburn (all in Middlesex County and the Cambridge-Newton-Framingham, MA MD) as well as Andover, Lawrence, Lynnfield, Middleton, and North Andover (all in Essex County and the Peabody MA MD). The assessment area extends across two counties is part of the Boston-Cambridge-Quincy MA-NH Metropolitan Statistical Area ("MSA") and had a 2000 census population of 383,675 residents. The assessment area consists of 77 census tracts, 11 are located in low-income tracts, 8 in moderate-income tracts, 41 in middle-income tracts, and 17 in upper-income tracts.

It should be noted that the City of Lawrence was added to the Bank's assessment area immediately prior to the examination. This addition significantly modifies both the demographics and income characteristics of the assessment area. Lawrence adds 17 census tracts, 11 of which are low-income and 6 are moderate income. The recent addition of the city to the Bank's assessment area would somewhat lower the expectation that the Bank has had sufficient time to adequately penetrate this market for the purposes of this evaluation.

The Department of Housing and Urban Development ("HUD") estimated the 2011 median family income for the Peabody, MA MD as \$86,200 and the Cambridge-Newton-Framingham, MA MD as \$105,000. The estimated median family income for the state is \$88,300.

According to Coldwell Banker, the median housing value for the assessment area is \$229,992 which is higher than the state's median value at \$182,800. The median age of the housing stock within the assessment area is 40 years and is slightly lower than the state's median age of 44 years.

According to 2010 Dun and Bradstreet analysis, there are 20,618 businesses located within the assessment area. Small business organizations with recorded gross annual revenues of less than or equal to \$1 million comprise the majority of the assessment area businesses at 85.0 percent; 9.3 percent of area businesses reported GAR over \$1 million; and 5.7 percent of area business did not report GAR.

The following table provides additional demographic and economic information pertaining to the Bank's assessment area.

<i>Selected Housing Characteristics by Income Category of the Geography</i>							
<i>Geographic Income Category</i>	<i>Percentage</i>						<i>Median Home Value</i>
	<i>Census Tracts</i>	<i>Households</i>	<i>Housing Units</i>	<i>Owner-Occupied</i>	<i>Rental Units</i>	<i>Vacant Units</i>	
Low	14.3	8.0	8.2	2.1	21.8	19.1	117,057
Moderate	10.4	10.0	10.2	5.7	20.0	15.9	135,396
Middle	53.2	60.1	59.8	65.2	48.1	47.5	216,171
Upper	22.1	21.9	21.8	27.0	10.1	17.5	316,417
Total or Median	100.0	100.0	100.0	100.0	100.0	100.0	\$196,260

Source: 2000 U.S. Census

The examination includes aggregate data for residential mortgage lending performance purposes only which constitute large and small mortgage companies, savings banks, commercial banks, cooperative banks, and credit unions, which have originated and/or purchased at least one residential mortgage and/or home improvement loan within the Bank's assessment area.

There are 14 cities and towns which comprise the Bank's assessment area. Each town in Reading's assessment area had considerably lower unemployment rates than the United States and the Commonwealth of Massachusetts, at 9.1 percent and 7.8 percent, respectively, with the exception of Lawrence which was at 16.1 percent. Although Essex County had a higher unemployment rate at 8.1 percent than the state as a whole, all towns located in this county that are within the Bank's assessment area, had lower rates, with the exception of Lawrence. Lawrence is made up of low- and moderate-income tracts exclusively.

COMMUNITY CONTACT

As part of the CRA examination process, examiners interviewed a community contact that assists in the housing needs of the residents of Reading. The organization provides subsidized affordable housing services to the elders and families in the community. The contact identified areas of financial need in the community, including low fee or no fee banking. The contact expressed the willing participation of Reading Co-operative Bank specifically, in supporting affordable housing programs.

PERFORMANCE CRITERIA

LENDING TEST

The Bank's effort to ensure that credit needs throughout the assessment area are addressed is evident in the distribution of residential loans to all geographies and to borrowers of different incomes. Given the composition of the assessment area, the Bank's lending levels reflect a reasonable level of responsiveness and therefore the lending performance is rated **"Satisfactory."**

LOAN TO DEPOSIT ANALYSIS

An analysis of the Bank's net loan to deposit ratio was performed. The calculation incorporated eight quarters of the Bank's net loans to total deposit figures as reflected in the Bank's quarterly FDIC Call Reports ("Call Reports"). The ratio is based on total loans net of unearned income and net of the allowance for loan and lease losses (ALLL) as a percentage of total deposits. The quarters reviewed included the periods from September 2009 through June 2011. The Bank's net loan to total deposit ratio has averaged 84.6 percent over the eight quarters under review. A comparison of the dollar amount for the Bank's loans and deposits as of September 30, 2009 was compared to that of June 30, 2011. This comparison revealed that deposits have increased by \$44.4 million or 20.2 percent, while net loans for the same period have decreased by \$1.7 million or 0.8 percent.

A comparison of the Bank's net loan to deposit ratio to that of a representative selection of area financial institutions was also performed. As of June 30, 2011, Reading Co-operative Bank's net loan to deposit ratio was 76.0 percent. The institutions chosen for this analysis either have a presence in the Bank's assessment area or, based upon Call Report, are of similar size and capacity. The data presented in the following table is as of June 30, 2011.

Institution	Net Loan to Total Deposit Ratios as of June 30, 2011
Stoneham Bank	110.0%
Northern Bank & Trust Company	109.4%
Stoneham Savings Bank	80.8%
Reading Cooperative Bank	76.0%
Wakefield Cooperative Bank	66.4%

FFIEC Call Reports – 6/30/11

Based on the foregoing information, Reading Cooperative Bank's net loan to total deposit ratio is considered adequate.

ASSESSMENT AREA CONCENTRATION

An analysis of HMDA reportable lending as well as small business lending extended both inside and outside the assessment area for the period under review was performed. The following table illustrates the Bank's level of HMDA reportable lending by number and dollar volume.

Lending Inside and Outside the Assessment Area								
Loan Type	Inside				Outside			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Home Purchase	44	55.0	10,707	47.2	36	45.0	11,996	52.8
Home Improvement	58	85.3	7,589	82.2	10	14.7	1,643	17.8
Multi-Family	7	58.3	1,396	15.6	5	41.7	7,554	84.4
Refinance	121	73.8	26,341	58.1	43	26.2	19,027	41.9
Total Residential*	230	71.0	46,033	53.4	94	29.0	40,220	46.6
Total Small Business	64	74.4	15,366	75.0	22	25.6	5,134	25.0

* Source –HMDA-reportable Residential mortgage loans 2009, 2010 and 2011 through 9-16-11; and small business loans originated between 1/1/09 through 8/31/11

As indicated in the table above, Reading Co-operative Bank has granted a majority of its residential and small business loans within its assessment area. This equates to 71.7 percent by number and 57.5 percent by dollar volume for total loans over the period under review. The Bank's level of lending within its assessment area is considered adequate.

DISTRIBUTION OF CREDIT AMONG DIFFERENT INCOME LEVELS

Reading Co-operative Bank's record of lending among borrowers of different income levels and businesses of different revenues based on the area's demographics and/or a comparison to aggregate lending data is considered to be adequate and reflects the Bank's willingness to lend to borrowers of all income levels and businesses of different revenue sizes.

Residential Loans:

An analysis of HMDA reportable lending within the Bank's assessment area, among various income levels review was performed to assess how well the Bank is addressing the credit needs of the area's residents. These loans were categorized by the applicant's reported incomes for 2009, 2010 and 2011, utilizing the HUD-adjusted Median Family Income (MFI) for the respective MSAs.

Low-income is defined by the US Census Bureau as income below 50 percent of the median family income level for the MSA. Moderate-income is defined as income between 50 percent and 79 percent of the median family income level for the MSA. Middle-income is defined as income between 80 percent and 119 percent of the median income. Upper-income is defined as income equal to or greater than 120 percent of the median income.

The following table shows the Bank's performance as well as the 2010 aggregate data (exclusive of Reading Co-operative Bank) of HMDA reportable lending by number and percentage. In addition, the table also reflects the percentage of family households in each of the borrower income categories.

Distribution of HMDA Loans by Borrower Income								
Median Family Income Level	% Households	BANK 2009		BANK 2010		Aggregate Data (% of #) 2010	BANK YTD 2011	
		#	%	#	%		#	%
Low	22.7	8	7.3	10	12.2	3.8	4	10.3
Moderate	15.0	14	12.8	16	19.5	16.5	9	23.1
Middle	19.4	36	33.0	18	22.0	29.0	3	7.7
Upper	42.9	44	40.4	28	34.1	45.7	11	28.2
NA*	0.0	7	6.4	10	12.2	4.9	12	30.8
Total	100.0	109	100.0	82	100.0	100.0	39	100.0

Source: HMDA-reportable loans 2009, 2010 and 2011 through 9-16-11

As noted above, in 2010 Reading Co-operative Bank's lending to low-income borrowers at 12.2 percent was well above the aggregate at 3.8 percent. In 2011, the Bank's lending to low-income borrowers decreased slightly to 10.3 percent, but still considered strong. During 2010, the Bank's lending to moderate-income borrowers at 19.5 percent was slightly above the aggregate at 16.5 percent. Overall, the Bank's record of lending to low and moderate-income borrowers was good and demonstrates the Bank's willingness to lend to borrowers of all income levels.

Small Business Loans:

The Bank's small business loans originated within the assessment area were analyzed to determine the distribution among businesses of various sizes. A small business is defined as one with GAR of \$1 million or less. Loans originated from January 1, 2009 through August 31, 2011 were reviewed during the exam. By number 56 percent of Reading's business loans were made to small businesses with revenues of \$1 million or less. The Bank's lending to small businesses was less than the percentage of businesses in the assessment area that are considered small businesses (85 percent); however, its performance is still considered reasonable.

GEOGRAPHIC DISTRIBUTION OF LOANS

Overall, the Bank's record of home mortgage and small business lending to different geographies is considered adequate.

Residential Loans:

An analysis of the geographic distribution of residential loans and a comparative analysis of 2010 HMDA aggregate data indicates that Reading Co-operative Bank's loans are reasonably distributed throughout the Bank's assessment area. Based on the 2000 census data, Reading Co-operative Bank's assessment area contains 77 census tracts; eleven that are low-income and eight that are moderate-income.

The following table presents the Bank's performance as well as the 2010 aggregate data (exclusive of Reading Co-operative Bank) of HMDA reportable lending by percentage. In addition, the table also reflects the percentage of owner-occupied housing units in each of the census tract income categories.

Distribution of HMDA Loans by Income Category of the Census Tract								
Census Tract Income Level	% Total Owner-Occupied Housing Units	BANK 2009		BANK 2010		Aggregate Data (% of #) 2010	BANK YTD 2011	
		#	%	#	%		#	%
Low	2.1	3	2.8	7	8.5	1.2	6	15.4
Moderate	5.7	0	0.0	3	3.7	3.5	3	7.7
Middle	65.2	56	51.4	36	43.9	64.0	19	48.7
Upper	27.0	50	45.9	36	43.9	31.3	11	28.2
Total	100.0	109	100.0	82	100.0	100.0	39	100.0

* Residential includes all HMDA reportable loans 2009, 2010 and 2011 through 9/16/11

In 2010, Reading Co-operative Bank's percentage of lending within low-income census tracts at 8.5 percent is higher than the aggregate of 1.2 percent, while the moderate-income census tracts at 3.7 percent was commensurate with the aggregate at 3.5 percent.

Small Business Loans

A similar review of the Bank's small business loans originated from 2009 through August 31, 2011 was performed.

Geographic Distribution of Small Business Loans by Census Tract										
Census Tract Income Level	% Businesses	2010 Aggregate Data	2009		2010		2011		Total	
		%	#	%	#	%	#	%	#	%
Low	6.9	4.0	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	5.0	5.0	0	0.0	0	0.0	1	5.0	1	1.6
Middle	63.6	73.0	8	42.1	19	76.0	18	90.0	45	70.3
Upper	24.6	18.0	11	57.9	6	24.0	1	5.0	18	28.1
Total	100.0	100.0	19	100.0	25	100.0	20	100.0	64	100.0

Source: Small Business- Bank data 2009 – 8/31/2011

Overall, the geographic distribution of small business loans reflects a poor penetration of the various geographies throughout the assessment area. There were no small business loans originated in low- income tracts and only one in a moderate- income tract. As mentioned above, all of the Bank's low-income tracts were added by the recent addition of Lawrence to the assessment area immediately prior to the examination and 6 of the 8 moderate-income tracts are attributable to the recent addition of Lawrence.

REVIEW OF COMPLAINTS/FAIR LENDING POLICIES AND PRACTICES

Reading Co-operative Bank received no CRA related complaints in the period under review. The Bank has a satisfactory record of implementing fair lending policies and practices. The Bank maintains a Fair Lending Policy, which is incorporated within its Lending Policy.

Minority Application Flow

The Bank's assessment area is 18 percent minorities. The 2009 and 2010 LARS show that Reading Co-operative Bank received 282 HMDA reportable applications within its assessment area. Of these applications, 7 were received from minorities and 5 or 71.5 percent were originated. Additional information indicated that the aggregate originated 76.4 percent of its minority applications in 2010 compared to Reading Co-operative Bank that originated all three (100 percent) minority applications. Also included in the table is the 2010 aggregate data (exclusive of Reading Co-operative Bank) in comparison to the Bank's data.

Refer to the following table for information on the minority application flow as well as a comparison of the aggregate lenders throughout the Bank's assessment area.

MINORITY APPLICATION FLOW								
RACE	Bank 2009		2010 Aggregate Data		Bank 2010		Bank Total	
	#	%	#	%	#	%	#	%
American Indian/Alaska Native	0	0.0	38	0.1	0	0.0	0	0.0
Asian	3	1.8	1,871	5.6	1	0.9	4	1.4
Black/ African American	0	0.0	265	0.8	0	0.0	0	0.0
Hawaiian/Pac Isl.	0	0.0	32	0.1	0	0.0	0	0.0
2 or more Minority	0	0.0	5	0.0	0	0.0	0	0.0
Joint Race (White/Minority)	1	0.6	333	1.0	2	1.7	3	1.1
Total Minority	4	2.4	2,544	7.6	3	2.6	7	2.5
White	140	84.3	24,294	72.1	89	76.7	229	81.2
Race Not Available	22	13.3	6,836	20.3	24	20.7	46	16.3
Total	166	100.0	33,674	100.0	116	100.0	282	100.0
ETHNICITY								
Hispanic or Latino	0	0.0	1,415	4.2	3	2.6	3	1.1
Not Hispanic or Latino	140	84.3	25,075	74.5	85	73.3	225	79.8
Joint (Hisp/Lat /Not Hisp/Lat)	0	0.0	271	0.8	0	0.0	0	0.0
Ethnicity Not Available	26	15.7	6,913	20.5	28	24.1	54	19.1
Total	166	100.0	33,674	100.0	116	100.0	282	100.0

Source: US Census, HMDA/ LAR, 2010 HMDA Aggregate Data

The Bank's minority application flow for this period was compared with the 2010 aggregate data for all other HMDA reporters within the assessment area. The comparison of this data assists in deriving reasonable expectations for the rate of applications the Bank received from minority credit applicants. The Bank fell below the aggregate for lending to minorities within its assessment area. The aggregate had 7.6 percent of its applications from racial minority applicants and 4.2 percent from ethnic minority applicants.

COMMUNITY DEVELOPMENT TEST

The community development test measures an institution's assessment of the needs in its community; its engagement in different types of community development activities based on those needs and the institution's capacities; and its reasonable steps taken to apply its community development resources strategically to meet those needs. During the course of this examination, community development lending, qualified investments, and community development services were evaluated. As part of the analysis, the Bank's effort to identify community development opportunities given the composition of the census tracts in its assessment area is considered.

Given the investment opportunities and level of competition in the assessment area, as well as the level of community involvement displayed by the Bank, the institution's community development performance is considered **"Satisfactory."** The Bank demonstrates adequate responsiveness to the community development needs of its assessment area. This is evidenced through community development loans and loan programs, qualified investments, and community development services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for community development in the institution's assessment area.

Community Development Loans

As defined in the CRA regulation, a community development loan has as its primary purpose: affordable housing for low and moderate-income individuals, community services targeted to low and moderate-income individuals, activities that promote economic development by financing small businesses or small farms, or activities that revitalize or stabilize low- and moderate-income geographies. In addition, unless for a multi-family dwelling (five or more units), the loan must not be reported as a home mortgage or small business loan.

During the timeframe of this evaluation, the Bank extended \$368,500 in new money in the form of qualified community development loans within the assessment area.

These loans were for two multi-family housing units located in Lawrence totaling \$143,500 and \$225,000, respectively. Both loans were located in low-income census tracts.

Qualified Investments:

As defined in the CRA Regulation, a qualified investment is a lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Based upon the institution's financial ability, its capacity to invest, and the opportunities available within the assessment area, the level of investment demonstrates adequate responsiveness to the needs of the assessment area. The Bank's qualified investments, consisting of charitable contributions, are described below:

From 2008 through August 31, 2011, Reading Co-operative Bank extended \$108,517 in qualified contributions through its charitable foundation. These donations are made to organizations that provide education, training, affordable housing, youth programs, and health and human services for individuals in need. The services these organizations provide are in great demand throughout the assessment area.

Broken down by year, \$29,439 was donated in 2008; \$19,584 was donated in 2009; \$35,246 was donated in 2010; and \$24,248 was donated during the first two quarters of 2011.

The following list details some of the organizations that have benefited from the Bank's contributions.

Woburn Council of Social Concern – A charitable, community-based agency responding to the basic needs of people of all ages, providing early childhood education and care, helping individuals develop their potential, creating positive family and community relationships, and fostering respect for diversity.

Mission of Deeds – The Mission of Deeds is a non-profit organization staffed by a group of volunteers who are located in Reading, Massachusetts. The organization purchases beds with cash donations and distributes them, along with donated furniture and other household items in good condition, to needy families and individuals living in Middlesex and Essex counties of Massachusetts.

Woburn Business Association - The purpose of the Woburn Business Association is to promote and protect business interests in the City of Woburn and provide networking services for the business community. Additionally, one of the goals of this organization is to improve the image of "Business" in the community by developing an awareness of residential and social concerns.

Tri-Cap Energy Program - Fuel Assistance helps low-income homeowners and tenants pay a portion of the cost of heat (oil, gas, electric) and rent if the heat is included in the rent. The program operates from November to April each year. Eligible households also receive discounts on their oil, gas, electric, and telephone.

American Bankers Association Housing Partners Foundation - The Foundation's mission is to promote and provide affordable housing in all communities.

Reading Co-operative Bank serves the communities of the assessment area through many other donations to other worthy causes that may benefit, but are not specifically targeted to low- and moderate-income individuals.

Community Development Services

The CRA regulation defines a community development service as a service that is primarily for a community development purpose and is related to the provision of financial services. The Bank provides community development services by providing financial expertise to community organizations and by sponsoring or participating in educational seminars and other services.

The Bank's community development services demonstrate an adequate responsiveness to the needs of the assessment area. The Bank's community development services are detailed below:

Officer Involvement in Community Organizations:

Reading Co-operative Bank's officers and employees are involved with community-based organizations that address issues such as affordable housing and community development. Through their involvement, the Bank's staff lends its technical expertise, experience, and judgment to these organizations. Based on level of involvement in such activities, the Bank's services demonstrate a good responsiveness to the community. The following section describes some of the community development services the Bank has provided.

The Bank's President/CEO serves on many organizations including a Member of the Reading/North Reading Chambers of Commerce; Director and Incoming President of the VNA Middlesex East; and Director/Board Member/Building Committee for the Mission of Deeds.

A Senior Vice President of the Bank serves as the President and member of the Board of Directors for the Reading/North Reading Chamber of Commerce; Vice President and member of the Board of Directors for the Woburn Business Association; a member of the Board of Directors of the Woburn Council of Social Concern; and member of the Board of Directors of the Friends of the North Reading Council of Aging.

A Vice President of Commercial Lending serves as the Chairman of the Board of the Advisory for the Lawrence Salvation Army.

A Branch Manager serves as the Treasurer for the Board of Dollars for Scholars of North Reading.

Educational Seminars and Other Services:

Reading Co-operative Bank has participated in various programs through FDIC Money Smart, the American Bankers Association Teach Children to Save Program, and the Jeopardy game adapted from the FDIC Braintree office.

Additionally, since the previous examination, Reading Co-operative Bank hosted six reverse mortgage seminars. Five of these seminars were held in North Reading and one was located in Tewksbury.

Also since the previous examination, Reading Co-operative Bank hosted three First Time Home Buying Seminars, all held at the Main Office.

During 2011, the Bank became a participant in the Small Business Banking Partnership through the State Treasurer's Office. This partnership is an initiative that invests state reserve funds into Massachusetts community banks with the understanding that the financial institutions will use the deposits to make new loans to small credit-worthy businesses.

PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 167, Section 14, as amended, and the Uniform Interagency Community Reinvestment Act (CRA) Guidelines for Disclosure of Written Evaluations, and Part 345 of the Federal Deposit Insurance Corporation's Rules and Regulations, require all financial institutions to take the following actions within 30 business days of receipt of the CRA evaluation of their institution:

- 1) Make its most current CRA performance evaluation available to the public;
- 2) At a minimum, place the evaluation in the institution's CRA public file located at the head office and at a designated office in each assessment area;
- 3) Add the following language to the institution's required CRA public notice that is posted in each depository facility:

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks at 180 Haven Street, Reading, MA 01867."

[Please Note: If the institution has more than one assessment area, each office (other than off-premises electronic deposit facilities) in that community shall also include the address of the designated office for that assessment area.]

- 4) Provide a copy of its current evaluation to the public, upon request. In connection with this, the institution is authorized to charge a fee which does not exceed the cost of reproduction and mailing (if applicable).

The format and content of the institution's evaluation, as prepared by its supervisory agencies, may not be altered or abridged in any manner. The institution is encouraged to include its response to the evaluation in its CRA public file.